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Attorneys for Plaintiff  
ARROW ELECTRONICS, INC.

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

ARROW ELECTRONICS, INC., a New  
York corporation,

Plaintiff,

v.

MED-FIT SYSTEMS, INC., a  
California corporation,

Defendant.

Case No. '14CV1486 W KSC

**COMPLAINT FOR:**

**(1) BREACH OF CONTRACT -  
INVOICES**

**(2) UNJUST ENRICHMENT**

**(3) BREACH OF CONTRACT -  
NC/NR AGREEMENT**

**(4) PROMISSORY ESTOPPEL**

**(5) ACCOUNT STATED**

Plaintiff Arrow Electronics, Inc. ("Arrow") hereby complains against  
Defendant Med-Fit Systems, Inc. ("Med-Fit"), and for its causes of action alleges as  
follows:

**PARTIES, JURISDICTION, AND VENUE**

1. Arrow is incorporated under the laws of the state of New York, and  
has its principal place of business in Suffolk County, New York, and is therefore a  
citizen of the state of New York.

2. On information and belief, Med-Fit is incorporated under the laws of  
the state of California, and has its corporate headquarters and principal place of  
business at 543 East Alvarado Street, Fallbrook, California 92028, and is therefore

1 a citizen of the state of California.

2 3. This Court has federal diversity jurisdiction pursuant to 28 U.S.C. §§  
3 1332(a)(1) and (c) because the matter in controversy exceeds the sum of \$75,000,  
4 exclusive of interest and costs, and is between citizens of different states.

5 4. Venue is appropriate in this District, pursuant to 28 U.S.C. §  
6 1391(b)(1), because Med-Fit is a resident of San Diego County, California.

7 5. All conditions precedent to this action have been performed, have  
8 occurred, or have been waived.

### 9 FIRST CAUSE OF ACTION

#### 10 (Breach of Contract – Invoices)

11 6. Arrow is in the business of selling a variety of electronic products.

12 7. Med-Fit ordered from Arrow and Arrow delivered to Med-Fit on  
13 credit, various electronic products pursuant to Invoice Nos. 8675924 and 8995735  
14 (the “Invoices”). (True and correct copies of the Invoices are attached as  
15 Exhibit A.)

16 8. The Invoices state that shipments are made subject to Arrow’s Terms  
17 and Condition of Sale (the “Terms and Conditions”). (A true and correct copy of  
18 the Terms and Conditions is attached as Exhibit B.)

19 9. As specified in the Invoices and Terms and Conditions, the terms of  
20 payment are net 30 days from the invoice date and “any past due balance will  
21 accrue interest at the monthly rate of one and one-half percent.” (Terms and  
22 Conditions ¶ 1.)

23 10. The Terms and Conditions provide that “[Med-Fit] is responsible for  
24 all costs and expenses incurred by Arrow in collecting any sums owing by [Med-  
25 Fit] (which may include, but are not limited to, collection agency and reasonable  
26 attorneys’ fees).” (*Id.* ¶ 4.)

27 11. The Terms and Conditions further provide that all transactions will be  
28 governed by the laws of the state of New York, and that the parties waive any right

1 to a trial by jury. (*See id.*)

2 12. The Invoices and Terms and Conditions constitute an enforceable  
3 contract between the parties.

4 13. Med-Fit accepted the products delivered by Arrow and therefore  
5 agreed to the Invoices and the Terms and Conditions.

6 14. In material breach of its obligations under the Invoices and the Terms  
7 and Conditions, Med-Fit has failed or refused to pay the amounts due and owing to  
8 Arrow under the Invoices when they became due, thereby forcing Arrow to incur  
9 the cost of bringing the instant action.

10 15. Med-Fit currently owes Arrow \$93,235.31 for booked and shipped  
11 inventory under the Invoices. (*See* open items list, attached as Exhibit C.)

12 16. Arrow has fully performed its obligations under the Invoices and has  
13 discharged any condition precedent to Med-Fit's obligation to pay the outstanding  
14 Invoice amounts.

15 17. Despite demand by Arrow, Med-Fit has failed to pay the amounts due  
16 Arrow.

17 18. As a direct and proximate result of Med-Fit's breach of contract,  
18 Arrow has suffered damages in an amount not less than \$93,235.31.

19 19. WHEREFORE, Arrow respectfully prays that this Court enter  
20 judgment against Med-Fit for general compensatory and consequential damages in  
21 an amount not less than \$93,235.31, plus pre- and post-judgment interest, costs, and  
22 reasonable attorneys' fees, and that the Court grant such other relief as it deems just  
23 and proper.

## 24 **SECOND CAUSE OF ACTION**

### 25 **(Unjust Enrichment)**

26 20. In the event Med-Fit denies the existence or enforceability of the  
27 Invoices, Arrow pleads and claims in the alternative as follows:

28 21. Arrow incorporates and realleges paragraphs 1 through 20 of the

1 Complaint as though fully set forth herein.

2 22. Arrow obtained and supplied electronic products for Med-Fit with a  
3 good faith belief that it would be paid for the products.

4 23. Med-Fit knew that it was receiving products supplied by Arrow, that  
5 Arrow was obtaining other products on Med-Fit's behalf, and that Arrow  
6 reasonably expected to be paid for the products.

7 24. Despite demand by Arrow, Med-Fit has failed to pay the amounts due  
8 Arrow.

9 25. Med-Fit has been unjustly enriched in that it has reaped the benefits of  
10 the products delivered by Arrow in connection with the Invoices without paying for  
11 them.

12 26. Under the circumstances, Med-Fit is obligated to pay the reasonable  
13 value of the products Arrow obtained and supplied for Med-Fit.

14 27. As a direct and proximate result of Med-Fit's failure to pay for the  
15 products, Arrow has suffered damages in an amount not less than \$93,235.31.

16 28. WHEREFORE, Arrow respectfully prays that this Court enter  
17 judgment against Med-Fit for general compensatory and consequential damages in  
18 an amount not less than \$93,235.31, plus pre- and post-judgment interest, costs, and  
19 reasonable attorneys' fees, and that the Court grant such other relief as it deems just  
20 and proper.

### 21 **THIRD CAUSE OF ACTION**

#### 22 **(Breach of Contract--Non-Cancelable/Non-Returnable Parts Purchase Order** 23 **Agreement)**

24 29. Arrow incorporates and realleges paragraphs 1 through 28 of the  
25 Complaint as though fully set forth herein.

26 30. In addition to the accounts receivable component of Med-Fit's debt to  
27 Arrow, Med-Fit owes Arrow monies under the parties' Arrow Non-  
28 Cancelable/Non-Returnable Parts Purchase Order Agreement (the "NC/NR

Agreement”). (A true and correct copy of the NC/NR Agreement is attached as Exhibit D.) Pursuant to the NC/NR Agreement, the parties agreed that Arrow would obtain certain parts for Med-Fit on a non-cancelable/non-returnable basis.

31. The NC/NR Agreement specifically states that Med-Fit’s orders may not be “cancelled, rescheduled or modified without [Arrow’s] prior written consent.”

32. Pursuant to the NC/NR Agreement, Arrow obtained the non-cancelable/non-returnable product for Med-Fit.

33. Arrow has fully performed its obligations under the parties’ NC/NR Agreement and has discharged any condition precedent to Med-Fit’s obligation to pay for the non-cancelable/non-returnable product in Arrow’s custody.

34. Despite demand by Arrow, Med-Fit has failed to take possession of or pay for the non-cancelable/non-returnable products obtained by Arrow for Med-Fit that are still in Arrow’s custody.

35. As a direct and proximate result of Med-Fit’s failure to pay for the non-cancelable/non-returnable products, Arrow has suffered, and will continue to suffer, damages in an amount to be proven at trial, but not less than \$112,725.00. (*See open items list.*)

36. WHEREFORE, Arrow respectfully prays that this Court enter judgment against Med-Fit for general compensatory and consequential damages in an amount not less than \$112,725.00, plus pre- and post-judgment interest, costs, and reasonable attorneys’ fees, and that the Court grant such other relief as it deems just and proper.

#### FOURTH CAUSE OF ACTION

##### (Promissory Estoppel)

37. In the event Med-Fit denies the existence or enforceability of the Invoices or the NC/NR Agreement, Arrow pleads and claims in the alternative as follows:

1           38. Arrow incorporates and realleges paragraphs 1 through 37 of the  
2 Complaint as though fully set forth herein.

3           39. Med-Fit represented and promised, by agreement and by course of  
4 conduct, that it would purchase electronic products from Arrow.

5           40. Med-Fit further represented, by agreement and by course of conduct,  
6 that it would purchase additional products from Arrow on a non-cancelable/non-  
7 returnable basis.

8           41. Arrow reasonably and foreseeably relied on Med-Fit's representations  
9 and actions. In turn, Arrow proceeded to deliver certain electronic products to  
10 Med-Fit, and to obtain other products for Med-Fit on a non-cancelable/non-  
11 returnable basis, the reasonable value of which is an amount that is not less than  
12 \$205,960.31.

13           42. Med-Fit foresaw, or reasonably should have foreseen, that Arrow  
14 would act in reliance on its representations and actions.

15           43. Med-Fit's refusal to honor its promises and commitments has caused,  
16 and will continue to cause, Arrow to suffer general and consequential damages in  
17 an amount not less than \$205,960.31.

18           44. WHEREFORE, Arrow respectfully prays that this Court enter  
19 judgment against Med-Fit for general compensatory and consequential damages in  
20 an amount not less than \$205,960.31, plus pre- and post-judgment interest, costs,  
21 and reasonable attorneys' fees, and that the Court grant such other relief as it deems  
22 just and proper.

23           45. Additionally, Med-Fit should be estopped from denying that it agreed  
24 to pay for the products pursuant to the terms of the Invoices and the NC/NR  
25 Agreement.

26                                   **FIFTH CAUSE OF ACTION**

27                                   **(Account Stated)**

28           46. In the event Med-Fit denies the existence or enforceability of the

Invoices and the NC/NR Agreement, Arrow pleads and claims in the alternative as follows:

47. Arrow incorporates and realleges paragraphs 1 through 46 of the Complaint as though fully set forth herein.

48. During the course of the parties' relationship, Med-Fit ordered from Arrow electronic products on credit.

49. Med-Fit has made partial payment on its account with Arrow. Its partial payments constitute an acknowledgment of the validity of its indebtedness to Arrow on the account.

50. Despite demand by Arrow, Med-Fit has failed to pay the balance of the account, which is immediately due and owing.

51. As a direct and proximate result of Med-Fit's failure to pay the balance due on its account, Arrow has suffered damages in an amount not less than \$205,960.31.

52. WHEREFORE, Arrow respectfully prays that this Court enter judgment against Med-Fit for general compensatory and consequential damages in an amount not less than \$205,960.31, plus pre- and post-judgment interest, costs, and reasonable attorneys' fees, and that the Court grant such other relief as it deems just and proper.

# **PRAYER FOR RELIEF**

WHEREFORE, Arrow respectfully prays that this Court enter judgment against Med-Fit in the following manner:

1. Under the First Cause of Action, for general compensatory and consequential damages in an amount not less than \$93,235.31, plus pre- and post-judgment interest, costs, and reasonable attorneys' fees.

2. In the alternative, under the Second Cause of Action, for general compensatory and consequential damages in an amount not less than \$93,235.31, plus pre- and post-judgment interest, costs, and reasonable attorneys' fees.

1           3.     Under the Third Cause of Action, for general compensatory and  
2 consequential damages in an amount not less than \$112,725.00, plus pre- and post-  
3 judgment interest, costs, and reasonable attorneys' fees.

4           4.     In the alternative, under the Fourth Cause of Action, for general  
5 compensatory and consequential damages in an amount not less than \$205,960.31,  
6 plus pre- and post-judgment interest, costs, and reasonable attorneys' fees.

7           5.     In the alternative, under the Fifth Cause of Action, for general  
8 compensatory and consequential damages in an amount not less than \$205,960.31,  
9 plus pre- and post-judgment interest, costs, and reasonable attorneys' fees.

10          6.     For such other and further relief as the Court deems just and proper.  
11

12 DATED: June 18, 2014

13                   STOEL RIVES LLP

14                   By: /s Brian Nese

BRIAN NESE

                    Email: [bjnese@stoel.com](mailto:bjnese@stoel.com)

                    Attorneys for Plaintiff

                    ARROW ELECTRONICS, INC.  
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# EXHIBITS

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## EXHIBITS

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**ARROW ELECTRONICS, INC.**  
**OEM COMPUTING SOLUTIONS**  
 355 BUSINESS CENTER DRIVE  
 HORSHAM, PA 19044-3484

**INVOICE REPRINT**

INVOICE NO. 8675924  
 DATE 12/30/13

**SOLD TO**  
**ATTN ACCTS PAYABLE DEPT.**  
**MED-FIT SYSTEMS INC**  
**543 EAST ALVARADO STREET**  
**FALLBROOK CA 92028**

**SHIP TO**  
**MED-FIT SYSTEMS INC**  
**709 POWERHOUSE RD**  
**INDEPENDENCE VA 24348**

**Remit To:**  
**PO BOX 742772**  
**LOS ANGELES, CA**  
**90074-2772**

\*\*\* PLEASE ENSURE ALL PAYMENTS ARE  
 FORWARDED TO THE ADDRESS ABOVE \*\*\*

**CUSTOMER ORDER NO.**  
 016636-00

SALES ORDER NO. 4662401-01	BRANCH KP	CUSTOMER NO. 126766	T.C 100	DATE OF ORDER 09/23/13	BUYER ALLEN B	F.O.B. 1-ORIGIN	TERMS NET 30 DAYS	
SALESMAN IN/OUT 411/M	DATE SHIPPED 12/07/13	SHIPPED VIA DHL			CONTRACT NO. NONE		PRIORITY RATING	
ITEM	QTY. ORD.	QTY. SHIP.	PRODUCT DESCRIPTION			PER	UNIT PRICE	TOTAL
04	500	500	SM40826**KP			EA	75.1500	37,575.00
OCULAR SPEC BUY								
MED-FIT SYSTEMS								
016636-00								
THANK YOU FOR YOUR BUSINESS								
							TAX	0.00
							FRT/HAND/ENERGY	10.94
							PAY THIS AMT	37,585.94
*** U S CURRENCY ***								
ANY QUESTIONS RELATING TO THIS INVOICE,								
PLEASE CONTACT FINANCIAL SERVICES @ 303-666-7035								
WAYBILL NUMBERS								
5342100783								

ALL QUANTITIES HAVE BEEN CHECKED TWICE. ALL CLAIMS FOR SHORTAGES MUST BE MADE WITHIN 10  
 DAYS FROM DELIVERY. NO RETURNS WILL BE ACCEPTED WITHOUT PRIOR AUTHORIZATION.  
 THIS SHIPMENT IS MADE SUBJECT TO ARROW'S TERMS AND CONDITIONS OF SALE.

YOUR COPY

**PLEASE RETURN THIS PORTION WITH YOUR REMITTANCE TO: PO BOX 742772**  
**LOS ANGELES, CA**  
**90074-2772**

CUSTOMER NO:	126766	ORDER TOTAL:	37,575.00
	MED-FIT SYSTEMS INC	TAX:	0.00
INVOICE DATE:	12/30/13	FRT/HAND/ENERGY:	10.94
INVOICE NO:	8675924		
CUSTOMER ORDER NO:	016636-00	*** U S CURRENCY ***	
		PAY THIS AMT:	37,585.94



PAGE 1

**ARROW ELECTRONICS, INC.**  
OEM COMPUTING SOLUTIONS  
355 BUSINESS CENTER DRIVE  
HORSHAM, PA 19044-3484

**INVOICE REPRINT**

INVOICE NO. 8995735  
DATE 02/17/14

SOLD TO  
ATTN ACCTS PAYABLE DEPT.  
MED-FIT SYSTEMS INC  
543 EAST ALVARADO STREET  
FALLBROOK CA 92028

SHIP TO  
MED-FIT SYSTEMS INC  
709 POWERHOUSE RD  
INDEPENDENCE VA 24348

Remit To:  
PO BOX 742772  
LOS ANGELES, CA  
90074-2772

\*\*\* PLEASE ENSURE ALL PAYMENTS ARE  
FORWARDED TO THE ADDRESS ABOVE \*\*\*

**CUSTOMER ORDER NO.**  
016636-00

SALES ORDER NO. 4662401-02	BRANCH KP	CUSTOMER NO. 126766	T.C 100	DATE OF ORDER 09/23/13	BUYER ALLEN B	F.O.B. 1-ORIGIN	TERMS NET 30 DAYS
SALESMAN IN/OUT 411/M	DATE SHIPPED 02/17/14	SHIPPED VIA FDX LTL FRT ECO				CONTRACT NO. NONE	PRIORITY RATING
ITEM	QTY. ORD.	QTY. SHIP.	PRODUCT DESCRIPTION		PER	UNIT PRICE	TOTAL
01	1000	1000	SM40826**KP		EA	75.1500	75,150.00
OCULAR							
MED-FIT SYSTEMS							
016636-00							

ALL QUANTITIES HAVE BEEN CHECKED TWICE. ALL CLAIMS FOR SHORTAGES MUST BE MADE WITHIN 10  
DAYS FROM DELIVERY. NO RETURNS WILL BE ACCEPTED WITHOUT PRIOR AUTHORIZATION.  
THIS SHIPMENT IS MADE SUBJECT TO ARROW'S TERMS AND CONDITIONS OF SALE.

YOUR COPY

PLEASE RETURN THIS PORTION WITH YOUR REMITTANCE TO: PO BOX 742772  
LOS ANGELES, CA  
90074-2772

CUSTOMER NO:	126766	ORDER TOTAL:	75,150.00
	MED-FIT SYSTEMS INC	TAX:	0.00
INVOICE DATE:	02/17/14	FREIGHT/ENERGY:	499.37
INVOICE NO:	8995735		
CUSTOMER ORDER NO:	016636-00	*** U S CURRENCY ***	
		PAY THIS AMT:	75,649.37

## TERMS AND CONDITIONS OF SALE

All quotations and sales by Arrow Electronics, Inc., its subsidiaries or affiliates ("Arrow") are subject to these terms and conditions.

1. Except as otherwise set forth on the front of an Arrow invoice or acknowledgment, terms of payment are net 30 days from invoice date; prices are FOB Arrow's facility (as defined in the Uniform Commercial Code); and prices do not include any taxes, freight, handling, duty or other similar charges, payment of which will be the sole responsibility of customer. Prices are conditioned upon timely payment and any past due balance will accrue interest at the monthly rate of one and one-half percent. Freight charges may be constructed on the basis of standard carrier tariffs and may not reflect actual transportation costs. Arrow reserves the right to modify terms prior to shipment, require payment in advance, or delay or cancel any shipment or order by reason of customer's creditworthiness or should customer fail to fulfill any obligation when due.
2. In the absence of prior agreement as to shipping, Arrow may select a carrier. Arrow's responsibility for any loss or damage ends, and title passes, when products are delivered to the carrier, to customer, or to customer's agent (including, without limitation, any test house or value added service provider), whichever occurs first. Customer will pay for storage charges if Arrow holds products at customer's request pending instructions or rescheduled delivery.
3. Arrow warrants those products assembled or customized by it against defects caused solely by faulty assembly or customization for 90 days after delivery. All other products, and the components and materials utilized in any assembled or customized products, are covered by, and subject to, the terms, conditions, and limitations of the manufacturer's standard warranty, which warranty is expressly in lieu of any other warranty, express or implied, of or by Arrow or the manufacturer. Customer's exclusive remedy, if any, under these warranties is limited, at Arrow's election, to any one of (a) refund of customer's purchase price, (b) repair by Arrow or the manufacturer of any products found to be defective, or (c) replacement of any such product. Customer acknowledges that except as specifically set forth or referenced in this paragraph, THERE ARE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND (INCLUDING, WITHOUT LIMITATION, IN ADVERTISING MATERIALS, BROCHURES, OR OTHER DESCRIPTIVE LITERATURE) BY ARROW OR ANY OTHER PERSON, EXPRESS OR IMPLIED, AS TO THE CONDITION OR PERFORMANCE OF ANY PRODUCTS, THEIR MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE. ARROW ASSUMES NO RESPONSIBILITY OR LIABILITY WHATSOEVER FOR MANUFACTURER'S PRODUCT SPECIFICATIONS OR THE PERFORMANCE OR ADEQUACY OF ANY DESIGN OR SPECIFICATION PROVIDED TO ARROW BY OR ON BEHALF OF CUSTOMER. Use of the customer's part number on any document or on any products is for convenience only and does not constitute any representation by Arrow with respect to the performance, specifications, or fitness of any part for any purpose.
4. Arrow retains a purchase money security interest in all products sold by Arrow to customer, and in the proceeds of any resale of such products, until the purchase price and any other charges due to Arrow have been paid in full. Upon any breach by customer of these terms and conditions, Arrow will have all rights and remedies of a secured party under applicable law, which rights and remedies will be cumulative and not exclusive. Customer is responsible for all costs and expenses incurred by Arrow in collecting any sums owing by customer (which may include, but are not limited to, collection agency and reasonable attorneys' fees). Arrow shall have the right to offset any sum owed by Arrow or any Arrow subsidiary to Customer against any sum owed by Customer to Arrow or any Arrow subsidiary. All transactions are governed by the laws of the State of New York. The parties waive any right to trial by jury.
5. Products are deemed accepted by customer unless customer notifies Arrow in writing within 10 days of delivery of product shortages, damage or defect. No returns may be made for any reason without a Return Authorization Form issued by Arrow. If customer refuses to accept tender or delivery of any products or returns any products without authorization from Arrow, such products will be held by Arrow awaiting customer's instruction for 20 days, after which Arrow may deem the products abandoned and dispose of them as it sees fit, without crediting customer's account.
6. Arrow will not be liable for any failure or delay in its performance or in the delivery or shipment of products, or for any damages suffered by customer by reason of such failure or delay, when such failure or delay is caused by, or arises in connection with, any fire, flood, accident, riot, earthquake, severe weather, war, governmental interference or embargo, strike, shortage of labor, fuel, power, materials or supplies, delay in delivery by Arrow's suppliers or any other cause or causes beyond Arrow's reasonable control. Arrow reserves the right to cancel without liability any order, the shipment of which is or may be delayed for more than 30 days by reason of any such cause. Arrow reserves the right to allocate in its sole discretion among customers or potential customers, or defer or delay the shipment of, any product which is in short supply.
7. This document, and not any purchase order or other customer document (which, if construed to be an offer is hereby rejected), will be deemed an offer or counter offer and is a rejection of any other terms or conditions. Customer, by accepting any products, making any payments or ordering any products having previously received these terms and conditions, will be deemed to have assented to these terms and conditions, notwithstanding any terms contained in any prior or later communication from customer and whether or not Arrow will specifically or expressly object to any of customer's terms. Arrow's failure to object to any document, communication or act of customer will not be deemed a waiver of any of these terms and conditions. Any addition or change to these terms and conditions must be specifically agreed to in writing by a duly authorized officer of Arrow before becoming binding on Arrow.
8. If customer's order is placed under a contract with the United States Government, Arrow agrees to comply only with those contract provisions and regulations with which, pursuant to law, it must comply and of which customer has, at the time of order placement, placed Arrow on written notice. In no event will United States Government Cost Accounting Standards apply. All rights in technical data and software owned or licensed by Arrow or the manufacturer are hereby reserved and deemed restricted or limited. Unless specifically otherwise agreed in writing by Arrow, customer acknowledges that products sold by Arrow are not intended for and will not be used in life support systems, human implantation, nuclear facilities or systems or any other

application where product failure could lead to loss of life or catastrophic property damage. Customer will indemnify and hold Arrow harmless from any loss, cost or damage resulting from customer's breach of the provisions of this paragraph.

9. Products may be subject to export or resale restriction or regulation, and customer acknowledges that it will comply with such restrictions and regulations. Any statement as to product country of origin, Export Control Classification Number, or compliance with applicable law (including, without limitation, that products are lead-free or RoHS compliant) is as provided to Arrow by its suppliers, and Arrow does not warrant its accuracy and will not be liable for any error with regard to same. Customer uses such information at its own risk.

10. Arrow certifies that it complies with all applicable requirements of Sections 6, 7 and 15 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof.

11. Except for the warranty coverage referenced in paragraph 3, above, NEITHER ARROW NOR ITS SUPPLIERS WILL HAVE ANY LIABILITY OR OBLIGATION TO CUSTOMER OR ANY OTHER PERSON FOR ANY CLAIM, LOSS, DAMAGE, OR EXPENSE CAUSED IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, BY THE INADEQUACY OF ANY PRODUCTS FOR ANY PURPOSE, BY ANY DEFICIENCY OR DEFECT IN ANY PRODUCT (WHETHER OR NOT COVERED BY ANY WARRANTY), BY THE USE OR PERFORMANCE OF ANY PRODUCTS OR BY ANY FAILURE OR DELAY IN ARROW'S PERFORMANCE HEREUNDER, OR FOR ANY SPECIAL, DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, HOWEVER CAUSED, INCLUDING, WITHOUT LIMITATION, PERSONAL INJURY OR LOSS OF BUSINESS OR PROFIT, WHETHER OR NOT CUSTOMER WILL HAVE INFORMED ARROW OF THE POSSIBILITY OR LIKELIHOOD OF ANY SUCH DAMAGES.

12. The performance of any value added service may void the manufacturer's warranty and render products non returnable. Orders incorporating such services are, accordingly, non cancelable and the products are non returnable. Any third party value added service provider is deemed to be an agent of customer.

13. Any software or other intellectual property included in or relating to products is supplied by its manufacturer or licensor. Arrow makes no representation or warranty with respect thereto and will have no liability in connection therewith. Customer agrees to comply with all requirements with regard to proprietary and similar rights in and to any intellectual property (including any requirement to enter into a separate license agreement and prohibitions against duplicating or disclosing the same), even if Arrow has broken the seal on any #shrink wrapped# software. If Customer provides Arrow with any intellectual property, Customer warrants that it has all necessary legal rights to such property. Customer will indemnify Arrow against and hold it harmless from any and all liability, cost or expense arising from a breach or purported breach of the requirements described in this section.

14. Arrow may assign accounts receivable to an Arrow affiliate. In order to defray the cost of customer account administration, any credit balance or other sum owed to customer which remains unclaimed by customer for a period of twelve months will become the property of Arrow.

15. No order or Customer obligation may be cancelled, rescheduled, reconfigured, or assigned without Arrow's prior written authorization and, in such event, customer will be liable to Arrow for any additional costs and expenses incurred by Arrow. Prices are subject to change by Arrow upon customer rescheduling or reconfiguration of orders. Prices are also subject to change in response to supplier price increases or if a price has been quoted in error, whereupon, customer may cancel the undelivered portion of any affected order by delivering written notice to Arrow prior to the shipment thereof and within 10 days of its receipt of notice of the price increase.

(AEI 0309)

Med-Fit Systems, Inc. - Account #126766							
Number	Transaction Date	Due Date	Days Late	Currency	Class	Original	Balance Due
8675924	30-Dec-13	29-Jan-14	131	USD	Invoice	\$37,585.94	\$17,585.94
8995735	17-Feb-14	19-Mar-14	82	USD	Invoice	\$75,649.37	\$75,649.37
Amount Due Account #126766							\$93,235.31
Unshipped NCNR Units							\$112,725.00
Total Amount Due Arrow Electronics, Inc.							\$205,960.31



**ARROW NON-CANCELABLE / NON RETURNABLE PARTS  
PURCHASE ORDER AGREEMENT**

Arrow Contract No.: 1097649

MED-FIT SYSTEMS INC  
543 EAST ALVARADO STREET  
FALLBROOK, CA 92028  
Customer E-Mail Address:

Customer No.: 126766  
Arrow Quote No.: 7500717  
Arrow Sales Order No.: 4662401  
Arrow Fax No.:

Customer P.O. No.: 016636-00  
Customer Contract No.:  
Customer Fax No.:

**Exhibit A**

#	Customer Part No.	Manufacturer	Manufacturer Part No.	Quantity	Final Delivery
		OCULAR	SM40826	1,500	12/31/13
		OCULAR	SM40826	1,500	03/31/14

We have received your Purchase Order (purchased order number referenced above) for which we thank you. Arrow can process your Purchase Order only if you agree by following the link in email that your order for the items listed on Exhibit A, attached to this form, may not be cancelled, rescheduled or modified without our prior written consent, and none of the items may be returned to us for any reason except in accordance with any applicable warranty. Any warranty that would ordinarily apply to the NC/NR products will not be affected by this Agreement. If your order does not specify a delivery date, you agree to accept delivery of the items within 30 days of Arrow having acquired them to fill your order. If a final delivery date is specified on Exhibit A, you agree to accept delivery of the entire quantity of products on or before that date or as soon thereafter as we are able to deliver such products. A final delivery date is not to be construed as an expiration date for this Agreement or for your obligation to accept the NC/NR products.

Please indicate your acceptance or denial of the above by following the link in email. By accepting or declining, this notification will automatically be returned to Arrow. Your Purchase Order will not be processed until this accepted Agreement is received by Arrow.

Thank you for giving us the opportunity to serve you.

R. WANN

Arrow Representative  
OEM COMPUTING SOLUTIONS

Page 1 of 1



**Med-Fit Systems, Inc.**

PO Box # 708  
Independence, VA 24348  
Phone 800-874-8941

**PURCHASE ORDER**

P/O NUMBER	PAGE
016636-00	1

P/O DATE	ORDER TYPE	CHANGE/ CANCEL
9/20/2013	Normal	

**ORDERED FROM**

1024  
AAROW ELLECTRONICS, INC.  
PO BOX 350090  
BOSTON, MA 02241 US

**SHIP TO**

MED-FIT SYSTEMS  
P.O. 708  
709 POWERHOUSE ROAD  
INDEPENDENCE, VA 24348 US

BUYER	TERMS	ACKNOWLEDGE	CONFIRM	FOB	SHIP VIA	COL/PPD
ALLEN BOBBITT	NET 30	Yes	Yes	DESTINATION	DESTINATION	

LINE NUMBER	QUANTITY ORDERED BLANKET TYPE	UOM	OUR ITEM NUMBER DESCRIPTION/COMMENTS	RoHS FLAG	YOUR ITEM NUMBER	REQUESTED DATE UNIT PRICE	CHANGE/ CANCEL
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***** WARNING: DUPLICATE*****							
1	1,500.000	EA	SM40826 PCB ASSY C51 LCD DISPLAY ROHS			12/31/2013 75.15	
						Ext Price =	112,725.00
			First delivery 12-31-13				
2	1,500.000	EA	SM40826 PCB ASSY C51 LCD DISPLAY ROHS			3/31/2014 75.15	
						Ext Price =	112,725.00
			Second Delivery 03-31-14				

Production

Ext Price Total = 225,450.00

If the above item number(s) are flagged with the RoHS mark, the supplier is required to provide Goods which comply with the EU directive 2002/95/EC governing the Restriction of the use of certain Hazardous Substances ("RoHS"). A Certificate of Conformance (CoC) written document must be provided with each and every shipment stating full compliance to the above stated RoHS directive. Each CoC must include, Item Number, Item Revision Level, Quantity, Date, Container Number and PO Number.

ORDERED BY \_\_\_\_\_